



**GUIDELINES FOR THE IMPLEMENTATION OF
FARMER PRODUCERS ORGANIZATIONS (FPO'S)
POLICY FOR STATE OF PUNJAB**



PUNJAB AGRO

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Farmer Producers Organizations (FPOs) Policy for State of Punjab



The farmers of Punjab especially small and marginal farmers are passing through a tough time with limited resource availability, rising input prices, higher vulnerabilities to climate and market risks. It is expected that in Punjab, small and marginal farmers are going to increase in future as the land holding is further going to get fragmented. The small land holding will make it difficult for farmers to carry out agricultural practices economically. The challenge therefore is to identify sustainable solutions that are efficient, environmentally friendly and at the same time inclusive in terms of addressing the needs of the small and marginal farmers. Farmer Producer Organization (FPO) can provide one such opportunity. FPOs aim at providing better income for the producers through an organization of their own. Through aggregation, both in upstream and downstream areas, the primary producers can avail the benefits of economies of scale.

Vision

To create and develop professionally run member-owned Producer Organizations in Punjab that become the leaders in the national markets, which enable farmers to enhance productivity through efficient, cost-effective and sustainable resource use and realize higher returns for their produce by creating, delivering and communicating value to the customers, through collective action supported by the government, and fruitful collaboration with different stakeholders.

Mission

- To promote sustainable, economically viable and self governing Farmer Producer Organizations (FPOs) by providing experts handholding and resources - (policy action, inputs, technical knowledge, financial resources, and infrastructure) - to strengthen these FPOs.
- To remove hurdles in enabling farmers to access the markets through their FPOs, both as buyers and sellers.
- To create an enabling policy environment for investments in FPOs to leverage their collective production and marketing power.
- To improve marketing efficiencies and realize optimum price through collective bargaining inside as well as outside the mandis by use of the available modes, including digital ones such as the e-NAM or any other portal.
- To provide that FPOs generate sufficient resources to meet expenses, and to recover payments in respect of sale or agri-inputs to farmer members.
- To promote FPOs as development institutions that play role of a buffer for members and the village community for ensuring social and cultural upliftment as well.

Scope & Coverage

- Apply equally to FPOs already registered either under the Companies Act or under Societies Registration Act, 1860 or under various central and state cooperative society laws and those FPOs which will be registered subsequent to the issue of this policy.
- The main qualifying criterion for an FPO to attract benefits under this policy is that it must be a body registered and administered by farmers and the organization must be focused on activities in the agriculture and allied sectors. Further, it is mandatory that FPO is registered with State Nodal Agency (SNA) as explained in this policy to avail various benefits.

The formation and development of FPOs will be actively encouraged and supported by the Government of Punjab. The financial resources already earmarked under various centrally sponsored and State-funded schemes shall be leveraged to develop strong and viable FPOs.

The State shall undertake to make special budgetary

provision in the Department of Agriculture and Farmers Welfare for giving financial assistance to FPOs including the assistance for strengthening of State Nodal Agency. The financial assistance shall also be given for creating common infrastructure facilities for facilitating the effective, efficient and profitable functioning of the FPOs.

FPOS and Members

- **Farmers Producer Organization (FPO) is an organization which is promoted by the farmers and the same is registered as any one of the following:**
 - 1) **Private Limited Company under Companies Act, 2013**
 - 2) **Public Limited Company under Companies Act, 2013**
 - 3) **Producer Company under Companies Act, 2013**
 - 4) **Cooperative Society registered under Punjab Cooperative Societies Act, 1961**
 - 5) **Society Registered under Societies Registration Act, 1860.**
 - 6) **Punjab Cooperative Societies Act, 1961 (Punjab Act No. 25 of 1961).**

Benefits to the societies shall be given under the policy, subject to the condition that no political/

electoral interferences shall be made in the working of FPO in any way. The interested parties can mandate under the self-supporting Cooperatives Act.

- **It is to be noted that the FPOs are expected to be created through bottom up approach. These FPOs should not add another layer of intermediaries in agriculture. The objective of these organizations is to enhance net income of the producers and not the income of the FPO per se.**
- **Community based/ area based/ product based or any other federation of Farmers Producer Organizations (FPOs) having any legal form shall also considered as an FPO to avail benefits under this policy.**
- **To avail benefits under this policy, it shall be mandatory for any FPO to get itself registered with SNA as explained further in this policy.**

Activities of FPOs

- **FPOs can take part in any component of agri-value chain or can act across the complete value chain. The agri-value chain includes field/horticulture crops, animal husbandry, animal/agriculture waste, and services such as hire-purchase of machinery etc. The FPOs are free to take up one or more agricultural products and/or services to deal in.**
- **FPOs shall be on par with Cooperative Societies registered under Punjab Cooperative Societies Act, 1961 and self-help groups/federations for all benefits and facilities that are extended to member-owned institutions from time to time.**
- **Licenses to FPOs shall be issued on priority to trade in inputs (seed, fertilizer, farm machinery, pesticides etc.) for use of their members as well as routing the supply of agricultural inputs through FPOs on par with cooperatives.**
- **FPOs shall facilitate access to fair and remunerative markets including linking of producer groups to marketing opportunities through market aggregators, storage, processing and distribution. FPOs will be given priority and will be treated at par with cooperatives & corporations.**
- **FPOS are encouraged to act as producers of certified seed, saplings and other planting material and production and marketing subsidies shall be extended to FPOs on par with cooperatives.**
- **Direct sale of farm produce by FPOs shall be allowed at the farm gate, and contract farming arrangements between FPOs and bulk buyers shall be facilitated.**
- **FPOs shall be allowed as procurement agents for MSP based procurement of various crops for PDS (Public Distribution System). FPOs shall be allowed to act as 'arhtias' in the 'mandis'. They shall be given preference over individuals and other organizations. It may also act as a company representing farmers and have the right to help farmers for better price realization.**
- **FPOs shall be allowed to act as implementing agencies for various agricultural development programmes of centre/state government and other organizations and the benefits under the Rashtriya Krishi Vikas Yojana (RKVY), National Horticulture Mission (NHM), Agricultural Infrastructure Fund (AIF), Param Pragat Krishi Vikas Yojna (PKVY) and other States & Government schemes.**

- In addition, an FPO can provide financial and business services for the welfare of its member farmers. Some of the services are:
 - a) **Financial Service:** The FPO can provide loans for crops, purchase of tractors & other required farm machinery, pump sets and other related work required for agricultural/horticultural operations.
 - b) **Input Supply Services:** The FPO can provide low cost and quality inputs to the member farmers and can also supply fertilizers, pesticides, seeds, sprayers, and other required input(s).
 - c) **Procurement and Packaging Services:** The FPO can facilitate procurement of agriculture produce from its members and make arrangements for its storage and value addition along with packaging.
 - d) **Marketing Services:** The FPO can carry out the direct marketing after procurement and make arrangements for logistics also. Further, FPO can help its members to market agricultural produce and also try to find out new markets for its member farmers.
 - e) **Technical and Extension Services:** The FPO can provide service of advising best practices of farming to its members and can also follow the good agricultural practices (GAP) along with Farm Management Services. Further, technical know how about post-harvest technologies and management, and processing etc. can also be provided by FPOs to its members.

Institution for Promotion & Development of FPOs in Punjab:

- Punjab Agri Export Corporation Limited (PAGREXCO) shall act as State Nodal Agency (SNA) to function as a catalytic/facilitating agency to promote agri-business activities through FPOs in Punjab. The benefits for FPOs envisaged under this policy shall be extended only to those FPOs who shall be registered with SNA. The SNA shall issue detailed guidelines regarding the eligibility and process of registration of FPOs. The SNA shall work towards encouraging the setting up of FPOs, identification of already registered FPOs and could help FPOs to avail benefits under various central government/state Govt schemes. SNA will act as a single window institution for FPOs and shall facilitate the linkages with investors, technology providers and markets. SNA will provide all-round support to FPOs and other entities engaged in promotion and development of FPOs in Punjab. Further, it will also create sustainable linkages between FPOs and inputs suppliers, technology providers, extension and research agencies, and marketing and processing players both in the public and private sectors. SNA will work to build-in provision for providing marketing intelligence, empanelment/hiring of auditors, monitoring, evaluation and other backup support services required by each FPO. SNA being a Government of Punjab enterprise would act as a responsible entity for promotion of FPOs in Punjab.
- SNA shall endeavour to set up a mechanism for funding the activities of registered FPOs by tying up with various financial institutions, NABARD and govt. agency and others. In case, FPO qualifies, SNA shall facilitate to get loans and advances against the infrastructure available with each FPO. Loans/grants under various Government schemes available at the National level/ State level, as well as from banks and other financial institutions, shall be made available to FPOs. SNA shall endeavor to set up a mechanism for funding the activities of FPOs by tying up with existing financial institutions, NABARD and other government agencies.
- SNA shall appoint Resource Institutions (Ris). RI would include the following:
 - Line departments of Government of Punjab dealing in agriculture and allied activities.
 - State agricultural university and veterinary university.

- **Other state and central government agencies dealing with procurement, processing and marketing of agricultural products/agricultural inputs. These RIs shall mobilize farmers to create FPOs and will provide technical support, training to members of FPO. RIs shall also create linkages with investors, technology providers and markets, financial institutions and others by adopting the FPOs. These RIs shall act as change agents in the field to create viable and sustainable FPOs. The detailed guideline regarding the process of selecting RIs and allocating the FPOs shall be issued separately by SNA.**
- **The main task of all RIs shall be:**
 - **To create awareness about the FPOs among the farmers, farm women and youth of Punjab.**
 - **To help members to form FPOs.**
 - **To provide intensive training to the potential members of FPO before the incorporation of an FPO. The further training after the incorporation for the members of FPO shall be imparted by RI during the entire period of handholding.**
 - **To help the FPOs in taking the benefit of various schemes/ policies of Union Government and that of the Government of Punjab under various ministries/ departments.**
 - **To handhold the FPOs for a period of 5 years by providing technical, managerial and business skills to enable these FPOs to grow and flourish and be on their own after the lapse of five years period.**
- **To carry out the above mentioned tasks, the RIs shall create a pool of experts both in the technical as well as in the commercial/ business areas. SNA shall appoint FPO Mittar for helping the FPOs in day to day activities and for preparing and executing the business plan of FPOs. The FPO Mittar shall seek the help from various RIs and other expert organizations/individuals depending upon the requirements of FPOs. SNA shall monitor the activities of RIs and FPO Mittar at regular intervals. SNA shall develop complete guidelines and metrics for the selection, monitoring and evaluation of the working of RIs as well as FPOs attached with these RIs.**
- **To oversee the above mentioned tasks by SNA and RIs, a State Level Committee (SLC) would be constituted under the Chairmanship of Additional Chief Secretary (Development), Punjab which includes the officials from the following department/ organizations or its nominees:**
 - I) **Vice Chancellor, Punjab Agricultural University, Ludhiana.**
 - ii) **Vice Chancellor, GADVASU, Ludhiana.**
 - iii) **Secretary, Horticulture, Punjab.**
 - iv) **Secretary, Agriculture, Punjab.**
 - v) **Managing Director, Punjab Agri Export Corporation.**
 - vi) **Secretary, Animal Husbandry, Punjab.**
 - vii) **Director, Horticulture, Punjab.**
 - viii) **Director, Agriculture, Punjab.**
 - ix) **Director, Dairy Development, Punjab.**
 - x) **Director, Fisheries, Punjab.**
 - xi) **Registrar, Cooperative Societies, Punjab**

Note: The chairman may co-opt any other official(s) as and when required. This committee shall nominate two representatives of FPOs as members of the committee. This committee will review the work of the SNA and also approve the Budget and other proposals of FPOs and RIs for promotion of FPOs.

Financial Incentives



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The financial support shall be given to FPOs, RIs as well as the SNA. The details in respect of amount, duration, conditions and procedure shall be laid down in a separate process document by the SNA which will be approved by SLC.

- **Assistance for Awareness and Creation of FPOs**

State Nodal Agency (SNA) through RIs or on its own shall create awareness among the farmers, women and youth to create FPOs to enhance their income. As this policy aims at creating volunteer based organizations, this aspect shall form a significant part of the policy. The SNA shall develop the networks with other institutions to carryout awareness about FPOs.

- **Assistance to Conduct Diagnostic Study and to Prepare Business Plan**

The RI under the guidance of SNA shall carry out detailed diagnostic study highlighting the market opportunities coupled with the strengths and weaknesses of the FPOs. RI shall prepare the Business Plan for each FPO. Grant shall be given to RIs for undertaking such activities as decided by SLC through SNA.

- **Assistance for Soft Interventions**

The government shall endeavor to provide financial support to carry out various soft interventions such as trainings (both technical and managerial), demonstrations, sharing business opportunities, exposure visits, trust building exercises etc for the FPO members as per the suggested action plan based on the findings of diagnostic study by each FPO. The same shall be approved by SLC.

- **Assistance for Hard Interventions**

The government shall endeavor to provide financial assistance to create infrastructure/common facilities' centre as required by the FPOs as identified in the diagnostic study. The limit for such intervention shall be fixed and approved by SLC.

- **Incentives under Industrial Business Development Policy**

All incentives being made available under the Industrial Business Development Policy, 2017 of Government of Punjab shall also be available to registered FPOs.

Evaluation and Control

It is important that the performance metrics of FPOs are created and measured at regular intervals so that these FPOs become self-reliant. For this, SNA shall create a mechanism to continuously develop such metrics for effective and efficient use of resources for promoting the welfare of the small and marginal farmers.

Process Guidelines

- Punjab Agri Export Corporation Limited (PAGREXCO) shall be State Nodal Agency (SNA) for promotion of FPO in the State of Punjab.
- State Level Committee (SLC) shall be the decision making body and will approve the proposals for promotion of FPOs in Punjab. The same shall be implemented through SNA.
- SNA will issue detailed guidelines regarding the process of registration of FPOs with SNA.

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- **SNA shall appoint resource institutions for promotion of FPOs in the state. SNA shall issue detailed guidelines regarding the process of appointing RIs. SNA shall also issue detailed guidelines regarding performance metrics of RIs and FPOs to ensure promotion and development of FPOs in the state.**
 - **SNA shall work as a single point of contact for FPOs! business development and growth. It shall hire technical consultants, Chartered Accountants (CA) and other experts to assist the FPOs. These will be regularly monitored by SNA. It shall also assist the FPOs for fulfilling all statutory compliances.**
 - **SNA shall endeavor to set up a mechanism for funding the activities of FPOs by tying up with existing financial institutions, NABARD and other government agencies. Funds may be provided by SFAC and under Agriculture infrastructure Fund scheme of Government of India.**
 - **SNA will coordinate with various RIs for conducting training and facilitate other required services from time to time.**
 - **SNA shall prepare annual budget for carrying out the activities under this policy. On recommendation of SLC, the Department of Finance, Government of Punjab shall Consider the proposal for release to the funds.**
 - **After the approval of SLC, the funds shall be released for various RIs by SNA.**
 - **SNA, in collaboration with SFAC, will create sustainable linkages between FPOs and inputs suppliers, technology providers, extension and research agencies and marketing and processing players, both in the public and private sectors:**
 - I. **By appointing FPOs as procurement agents for MSP operations for various crops.**
 - ii. **By using FPOs as implementing agencies for various agricultural development programmes, especially RKVY, NFSM, ATMA etc, and extending the benefits of Central and State funded programmes in agriculture to members of FPOs on a preferential basis.**

**Chandigarh, dated:31-08-2020
Endst.No.25/24/15-Agri-4(2)/5781**

**Anirudh Tewari
Additional Chief Secretary (Development)
Agriculture Farmers and Welfare department,
Chandigarh, dated (14-09-2020)**

Endst.No.25/24/2015-Agri4(2)/ 5782

**Joint Secretary Agriculture
Chandigarh the: 14-09-2020**

I Aims and objectives

The farmers of Punjab especially small and marginal farmers are passing through a tough time with limited resource availability, rising input prices, higher vulnerabilities to climate and market risks. It is expected that in Punjab, small and marginal farmers are going to increase in future as the land holding is further going to get fragmented. The small land holding will make it difficult for farmers to carry out agricultural practices economically. The main aim of FPO is to provide better income for the producers through an organization of their own. Through aggregation, the primary producers can avail the benefits of economies of scale.

II Farmer Producer Organisation (FPO)

An FPO, formed by a group of farm producers (farmers), is a registered body with producers (farmers) as shareholders in the organisation. It deals with business activities related to the farm produce and it works for the benefit of the member producers. FPO is a generic name, which means and includes farmer- producers' organization incorporated/ registered either under Part IXA of Companies Act or under Co-operative Societies Act of the concerned States and formed for the purpose of leveraging collectives through economies of scale in production and marketing of agricultural and allied sector.

III Implementing agencies: Duties & Responsibilities

STATE NODAL AGENCY (SNA)

Punjab Agri Export Corporation Limited (PAGREXCO) shall act as State Nodal Agency (SNA) to function as a catalytic/facilitating agency to promote agri-business activities through FPOs in Punjab.

● Role of SNA

- Function as a catalytic/facilitating agency to promote agri-business activities through FPOs in Punjab.
- SNA will act as a single window institution for FPOs and shall facilitate the linkages with investors, technology providers and markets.
- SNA will provide all-round support to FPOs and other entities engaged in promotion and development of FPOs in Punjab.
- It will also create sustainable linkages between FPOs and inputs suppliers, technology providers, extension and research agencies, and marketing and processing players in both the public and private sectors.
- SNA will work to build-in provision for providing marketing intelligence, empanelment/hiring of auditors, monitoring, evaluation and other backup support services required by each FPO.
- SNA shall facilitate to get loans and advances against the infrastructure available with each FPO.
- SNA shall endeavour to set up a mechanism for funding the activities of FPOs by tying up with existing financial institutions, NABARD and other government agencies.
- SNA shall appoint Resource Institutions (RIs).
- SNA will appoint FPO Mittar with advice of/ in consultation with RI.

Assistance that can be provided by SNA with the help of RIs:

- | | | |
|--|---|--|
| • Financing & Bank linkages | • Packaging | • Transportation |
| • Procurement | • Harvest | • Certifications & Compliances |
| • Processing and value addition | • Post-Harvest management | • Environmental Issues- Waste Management |
| • Trading | • Storage | • Networking |
| • Farm Inputs | • Grading, measuring and testing | • Insurance (covering crop/ equipment/ livestock/ Plant 7 Machinery/ Life/ Health of FPO members etc.) |
| • Technical Assistance | • Accounts & Record keeping & Payments etc. | |
| • Training/ workshop/ exposure visits of members | • Branding (labelling) | |
| • Extension | • Selling & Marketing | |

Facilities already available with SNA:

- APEDA recognised Pack houses.
- Fully equipped multiple fruit and vegetable processing plants with the concentrate extraction and processing and manufacturing of beverages.
- Carrot line for washing, seeding, grading and sorting.

SNA shall appoint Resource Institutions (RIs).

RI would include the following:

- Line departments of Government of Punjab dealing in agriculture and allied activities.
- State agriculture university and veterinary university.
- Other State and Central government agencies dealing with the procurement, processing and marketing of agricultural products/ agricultural inputs.

RESOURCE INSTITUTIONS (RIS)

- RIs shall mobilize farmers to create FPOs.
- RIs will provide technical support to the FPOs.
- RIs will provide training to members of FPO.
- RIs will create viable and sustainable FPOs.
- RIs will create awareness about the FPOs among the farmers, farm- women and youth of Punjab.
- RIs will provide intensive training to the potential members of FPO before the incorporation of an FPO. RI shall impart the further training after the incorporation for the members of FPO during the entire period of handholding.
- RIs will help the FPOs in taking the benefit of various schemes/ policies of Union Government and that of NABARD, Government of Punjab under various ministries/ departments.
- RIs will handhold the FPOs for a period of 5 years by providing technical, managerial and business skills to enable these FPOs to grow, flourish, and be on their own after the lapse of five years period.
- To carry out the above- mentioned tasks, RIs shall create a pool of experts both in technical as well as in the commercial/ business areas.
- Advice on Cluster identification, Business planning, Diagnostic and Feasibility studies and Resource mobilisation as may be solicited by SNA.
- Will give recommendation to SNA for the appointment of FPO Mittar in related field.

FPO MITTAR

- SNA in consultation with RIs will appoint FPO Mittar.
- Qualification of FPO Mittar:
FPO Mittar should hold a relevant (specialisation) graduation degree i.e., BSc Agriculture, Horticulture, Dairy technology, Food processing/ food technology, Veterinary, Animal husbandry, fisheries, etc. however, SNA may prefer persons with post- graduation/ experience in Agribusiness.
- At least one FPO Mittar will be allocated to one FPO by SNA in consultation with RI. SNA & RI will monitor the performance of FPO Mittar in the formation and operations of FPO.
- FPO Mittar will not have any right in influencing the decision of FPO Board/ members. His role will be limited to that of a facilitator in executing the FPO Board/ Members decision.
- SNA may on its own decision or at the advise of RI may appoint more than one FPO Mittar or replace or remove FPO Mittar.
- FPO Mittar shall have dual reporting and will submit his work report both to SNA and RI every 10 days.
- FPO Mittar will help the FPO in day-to-day activities.
- FPO Mittar will help preparing and executing the business plan of FPOs.
- FPO Mittar shall seek help from various RIs and other expert organizations/ individuals depending upon the requirements of FPOs through SNA.
- FPO Mittar will coordinate with the professionals in the company formation/ marketing tie-ups/ compliances/ audits/ preparation of accounts/ accounting/ internal audit/ statutory audit/ tax compliances, etc. and trainings of the FPO members etc.
- FPO Mittar can himself identify the requirements of the FPO, after getting them approved by the FPO board meeting, submit the same to SNA.
- The performance of FPO Mittar shall be evaluated by SNA based on the recommendations of the FPO Board.

IV Formation



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- The minimum number of directors/ members depend upon the type of the organisation structure chosen by the farmer members.
- SNA shall nominate not more than one director on the board of FPO. His role shall be predefined and will be more towards making the Board aware of the need of statutory compliances/ certifications etc.
- The FPO can be registered as any one of the following:
 - 1) Private Limited Company under Companies Act, 2013
 - 2) Public Limited Company under Companies Act, 2013
 - 3) Producer Company under Companies Act, 2013
 - 4) Cooperative Society registered under Punjab Cooperative Societies Act, 1961
 - 5) Society Registered under Punjab Societies Registration Act, 1860.
 - 6) Punjab Cooperative Societies Act, 1961 (Punjab Act No. 25 of 1961).

Procedure For Registration of FPO as Private Limited/ Public Limited Company Under Companies Act, 2013

- A suitable name of the Company has to be got approved from Ministry of Corporate Affairs.
- A memorandum and Articles of Association containing the main objects/ activities of the FPO is drafted.
- Name of Farmer- Promoters and the first Directors of the company (minimum 2 in case of private limited Company and minimum 3 in case of public limited Company) and in respect of each such promoter and Director, the following details:
 - a. Self attested copy of PAN Cards and Adhaar Cards of all subscribers
 - b. Proof of Identity (Voter Id, Passport, DL, Aadhar Card)
 - c. Residential Proof (Bank Statement, Electricity Bill, Telephone Bill, Mobile Bill not older than 2 months)
 - d. Place of Birth
 - e. Occupation
 - f. Educational Qualification
 - g. Landline Number and Mobile Number
 - h. E-mail ID
 - i. Duration of stay at the present address (If stay is less than a year, then the previous address)
 - j. Passport size photo
 - k. Number of shares held
- Minimum capital is NIL in case of Private Limited Company and Rs. 5 Lakhs in public Limited Company.
- Phone Number and Email ID of the Company
- Registered Office of the company
Whether the property:
 - i. Owned by Company
 - ii. Owned by director (not taken on lease by company)
 - iii. Taken on lease by company
 - iv. Owned by any other person (not taken on lease by company)
 - a. Utility Bills (not older than two months) depicting address of Registered Office (Electricity bill, Mobile bill, Gas Bill, Telephone Bill)
 - b. Proof of Registered Office (Conveyance/ lease deed/rent agreement along with rent receipts)
 - c. NOC for use of property by the company.
- Consent to act as Director.
- Disclosure of Interest of the first Directors that whether they are Directors in any other Company.
- Valid Class 2 Digital Signatures of each subscriber to the Memorandum and Articles of Association.

Procedure For Registration of FPO Under Punjab Co-operative Societies Act, 1961

Societies That May Be Registered:

A society which has as its object the promotion of the economic interest of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Act with or without limited liability. Provided that, unless Government by general or special order otherwise directs, the liability of the society of which a member is a co-operative society shall be limited.

Application for registration of a co-operative society

At least 10 producers shall come together to form a co-operative society, as proposed hereunder and apply to the Registrar of Co-operative Societies along with the following documents:

1. Name of proposed co-operative society.
2. Class of co-operative society and liability.
3. Address to be registered.
4. Area of operation.
5. Main objects.
6. Number of members at present.
7. Occupation of members.
8. Estimated unsecured debts of members (In case of a credit/service Co-operative Society)
9. Area Mortgaged by members (in case of credit service Co-operative Society and Mortgage banks).
10. Capital with details of shares, deposits fee, etc.
11. Value of share and mode of payment.
12. Names of members of managing committee.
13. Name of applicant for purposes of correspondence by the Registrar (See rule 3)
14. Three copies of the bye-laws

Registration of a self-supporting co-operative society and federal self-supporting co-operative society

- No self-supporting co-operative society shall be registered under this Act, unless its bye-laws are found to be in conformity with the co-operative principles and guidelines mentioned in the Schedule, and consists of not less than ten members competent to make contract under the Indian Contract Act, 1872 (Central Act 9 of 1872) belonging to ten different families.
- For the purpose of registration, an application shall be submitted to the Registrar by hand or by registered post, signed by at least ten persons, who wish to form a self-supporting co-operative society or by a duly authorised person on behalf of every self-supporting co-operative society which intends to form a federal self-supporting co-operative society and the Registrar shall give due acknowledgement thereof.
- The person by whom or on whose behalf such application is made shall furnish such information in regard to the proposed self-supporting co-operative society or federal self-supporting co-operative society, as the case may be, as the Registrar may require.
- An application for registration shall be made to the Registrar, which shall be accompanied by the following documents, namely:-
 - (a) two copies of the proposed bye-laws of the self-supporting co-operative society or the federal self-supporting co-operative society, as the case may be;
 - (b) a list of names of members with their addresses and occupations;

- (c) a list of members of the Board elected by the promoting members;
- (d) a true copy of the minutes of the meeting at which the bye-laws were adopted and
- (e) receipt of deposit of registration fee as specified by the Registrar.

A Producer Company under Companies Act, 2013

As per section clause (1) of section 581C of the Companies Act, 1956, any one of the following combination can form a Producer Company:

- Any ten or more individuals each of them being a producer
- Or any two or more Producer Institutions
- Or Combination of 10 or more individuals and Producer Institutions

● Application for DIN

- The Directors of the proposed Producer Company are required to apply for DIN (Director Identification Number) in Form DIR – 3 by attaching prescribed documents.
- The DIN No. is valid for life time of applicant.

● Incorporation of Producer Company

- Application for reservation of name: The application for the reservation of the name is to be filed in Form INC-1 with DIN / PAN numbers of all 10 proposed subscribers. Such name shall be available for reservation for a period of 60 days from the date of application made to Registrar.
- Every Producer Company shall have the words “Producer Company Limited” as the last words of its name.
- Criteria for name approval: The name of Producer Company should not be undesirable as per rule 8 of Chapter II of Company Incorporation Rules.
- Filing of Incorporation Document:
 - I. the name of the Producer Company;
 - ii. Authorized and Subscribed Capital;
 - iii. Particulars of all ten subscribers which were mentioned at the time of filing
 - iv. If there is any change in promoter subscribers No objection has to be attached
 - v. Along with the incorporation document there shall be filed Memorandum of

Association and Articles of Association along with subscribers sheet,

- vi. duly notarised Affidavit of all subscribers,
- vii. declaration made by either an advocate, or a Company Secretary or a Chartered Accountant or a Cost Accountant, who is engaged to give declaration under section 7 (1) (b) that all the requirements of this Act and the rules made thereunder have been complied with,
- viii. PAN copies of all subscribers
- ix. Aadhar Card / Driving License / Voter ID / Passport as proof of identity
- x. electricity Bill / mobile Bill / telephone Bill / bank Statement as proof of address
- xi. Proof of farming, e.g. copy of Jamabandi/ Lease Agreement/ Pattanama, duly signed by Patwari/ Revenue Officer.
- xii. Consent to act as director in Form DIR – 2
- xiii. Electricity Bill of registered office address
- xiv. The Registrar may accept the statement (made by an Advocate/ Company Secretary/ Chartered Accountant/Cost Accountant, who is engaged in the formation of the Company and by anyone who subscribed his name to the incorporation document, that all the requirements of this Act and the rules made thereunder have been complied with, in respect of incorporation and matters precedent and incidental thereto) as sufficient evidence that the requirement has been complied with.
- xv. The certificate shall be signed by the Registrar and authenticated by his official seal.
- xvi. The certificate shall be conclusive evidence that the Producer Company is incorporated by the name specified therein.

Procedure for seeking registration of a Society under the Punjab Societies Registration Act, 1860

Formation of a society

Any seven or more persons associated for any Literary, Scientific, or Charitable purpose, may, by subscribing their names to a Memorandum of Association and filing the same with the Registrar of Societies form themselves into a Society under the Societies Registration Act, 1860.

As per Section 20 of the Societies Registration Act, 1860 the following societies may be registered under the said Act.

Charitable societies, the military orphan funds or societies established at the several presidencies of India, societies established for the promotion of science, literature, or the fine arts for instruction, the diffusion of useful knowledge, the diffusion of political education, the foundation or maintenance of libraries or reading rooms for general use among the members or open to the public, or public museums and galleries of paintings and other works of art, collections of natural history, mechanical and philosophical inventions, instruments, or designs.

Points to be kept in mind while forming a society:

- (i) The Emblems Act, 1950 prohibits the use of any name, emblems, official seal etc. as specified in the Act without previous permission of competent authority. It also prohibits the use of the name of national heroes and other names etc. mentioned in the Act. The Societies intending to seek registration are advised to consult this Act also before proposing the name etc. for registration.
- (ii) If the proposed name is identical with that by which any other society has been registered or resembles such name which is likely to deceive the public or the member of society, such name may be avoided. Names of all the registered Societies have been put on the website of Industries Department to enable the public and prospective applicants to check the availability of names.
- (iii) The Memorandum of Association shall contain the following details e.g.:
The name of the society; The objects of the society; The names, addresses, and occupations of the governors, council, directors, committee, or other governing body to whom by the rules of the society, the management of its affairs is entrusted.
- (iv) A copy of the rules and regulations of the society, certified to be a correct copy by not less than three of the members of the governing body, shall be filed with the memorandum of association.

Note/ Disclaimer: The procedure of registration is subject to any change/ amendments in the governing statute.



V. Proposal Forms

PROPOSAL FORM FOR EXISTING FPO'S

- 1 Name of FPO
 - 2 Registered Office of the FPO
 - 3 Date of Incorporation.
 - 4 Type of FPO, whether
 - Self Help Group
 - Partnership
 - Company under Companies Act
 - Companies Act Producer Company
 - Private Limited Company
 - Public Limited Company
 - Cooperative Society
 - Society
 - Unorganised
- If Unorganised preferred form of Registration:
- 5 Name of the concerned person Whether
 - Director
 - Shareholder
 - CEO
 - Others
 - 6 Name and Number of the Board of Directors
 - Number and of male member(s):
 - Number and of female member(s):
 - 7 Number of Shareholders:
 - 8 Address:
 - 9 Contact Number:
 - 10 Email Id:
 - 11 Present and Proposed business Activity:
 - 12 Experience in the related field:
 - 13 Certifications and Compliances already taken/ done.
 - 14 Acreage (area)
 - 15 % age of small and marginal farmers
 - 16 Profit/ Loss of last five financial years
 - 17 Assistance required
 - Financing & Bank linkages
 - Procurement
 - Processing and value addition
 - Trading
 - Farm Inputs
 - Technical Assistance
 - Training/ workshop/ exposure visits of members
 - Extension



- Packaging**
- Harvest**
- Post-Harvest management**
- Storage Grading, measuring and testing**
- Accounts & Record keeping & Payments etc.**
- Branding (labelling)**
- Selling & Marketing**
- Transportation/ Logistics/ Supply Chain**
- Certifications & Compliances**
- Environmental Issues- Waste Management**
- Networking**
- Insurance (covering crop/ equipment/ livestock/ Plant & Machinery/ Life/ Health of FPO members etc.)**

**Mail the filled proposal form at:
PUNJAB AGRI EXPORT CORPORATION LTD.**

Plot No. 2A, Sector 28 A, Madhya Marg, Chandigarh 160 002
Email: gm.pagrexco@punjab.gov.in

also available at www.punjabagro.gov.in



PROPOSAL FORM FOR NEW FPO'S

1. **Name of the proposer/ person interested**
2. **Proposed name of FPO**
3. **Address:**
4. **Contact Number:**
5. **Email Id:**
6. **Present and Proposed business Activity:**
7. **Whether already registered as a Company/ Cooperative Society etc.:**
If No, preferred form of Registration:
8. **Experience in the related field:**
9. **Acreage (area)**
10. **Tentative Number of farmer members**
- 11 **% age of small and marginal farmers**
- 12 **Assistance required**
 - Financing & Bank linkages**
 - Procurement**
 - Processing and value addition**
 - Trading**
 - Farm Inputs**
 - Technical Assistance**
 - Training/ workshop/ exposure visits of members**
 - Extension c Packaging**
 - Harvest**
 - Post-Harvest management**
 - Storage Grading, measuring and testing**
 - Accounts & Record keeping & Payments etc.**
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 - Transportation/ Logistics/ Supply Chain**
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 - Insurance (covering crop/ equipment/ livestock/ Plant & Machinery/ Life/ Health of FPO members etc.)**

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VI. FAQs

1. What is FPO?

An FPO, formed by a group of farm producers (farmers), is a registered body with producers (farmers) as shareholders in the organisation. It deals with business activities related to the farm produce and it works for the benefit of the member producers.

2. What is the need for FPOs?

The farmer of Punjab, especially small and marginal farmers pass through a tough time with limited resource availability, rising input prices, higher vulnerabilities to the climate and market risks. The challenge therefore is to identify suitable solutions that are efficient, environment friendly and at the same time inclusive in terms of the addressing the needs of the small and marginal farmers. Through aggregation, the farmers can avail the benefit of economies of scale. They will also have better bargaining power. Farmer Producer Organisation (FPO) can provide one such opportunity

3. Who can be the members of FPO?

Farmers includes women farmer and small and marginal farmer.

A farmer (also called an agriculturer) is a person engaged in agriculture, raising living organisms for food or raw materials. The term usually applies to people who do some combination of raising field crops, orchards, vineyards, poultry, or other livestock.

4. What can be the minimum and maximum number of members of the FPO?

The empanelled Chartered Accountants (CA) and Company Secretaries (CS) will assist the interested farmers in the formation of FPO.

The minimum and maximum number of members of FPO depends upon the type of organisation form chosen by the farmers.

5. How can FPO be formed?

The FPO can be registered as any one of the following:

1. Private Limited Company under Companies Act, 2013
2. Public Limited Company under Companies

Act, 2013

3. Producer Company under Companies Act, 2013

4. Cooperative Society registered under Punjab Cooperative Societies Act, 1961

5. Society Registered under Societies Registration Act, 1860.

6. Punjab Cooperative Societies Act, 1961 (Punjab Act No. 25 of 1961).

6. Who will manage the FPO?

FPO will be managed by its own members through its duly elected Board as per the rules and bye laws of the FPO

7. Is registration mandatory for FPO?

Yes, it is mandatory for FPO to get registered and work as a separate legal entity. Only such entity can enter into legally valid contracts including mobilization of funds from other institutions as well as to avail the benefits of assistance(s) provided to the FPO.

8. Can existing FPOs also register with SNA?

Yes, existing FPOs can also register with the SNA by applying through Proposal Form for Existing FPO available on the official website: (www.punjabagro.gov.in)

9. How to become a member of the FPO and what are the legal formalities and documents required for the same?

A group of farmers can approach SNA for making FPO by submitting the Proposal form for registration with SNA available on the official website. For formation and operation of FPO, its registration, certification, maintaining accounts, auditing and tax compliance, if any etc. are required. For registration, Identity proof, residence proof of the farmer members and directors, land under cultivation/ no. of livestock etc.

10. What will be the cost/fee of registration?

The fees of registration depends upon the authorised capital of the proposed entity. However the empanelled CA/ CS will assist in the registration process by providing their expert services.

11. What is the purpose of FPO?

- Increased bargaining power in purchasing inputs.
- Collective bargaining power in sale of finished goods
- Decrease in expenses
- Increase in income
- Synergetic effect

12. What are the benefits of FPO?

- Assets integration/ consolidation
- Pooling of labour and the resources.
- Collective machinery centres

13. What are the services that an FPO can provide?

An FPO can provide financial and business services for the welfare of its members. Some of the services are:

- Input Supply Services:** The FPO can provide low cost and quality inputs to the member farmers and can supply fertilizers, pesticides, seeds, sprayers, and other required input(s).
- Procurement and Packaging Services:** The FPO can facilitate procurement of agriculture produce from its members and make arrangements for its storage and value addition along with packaging.
- Marketing Services:** The FPO can carry out the direct marketing after procurement and make arrangements for logistics also. Further, FPO can help its members to market agricultural produce and also try to find out new markets for its member farmers.
- Technical and Extension Services:** The FPO can provide service of advising best practices of farming to its members and can also follow the good agricultural practices (GAP) along with Farm Management Services. Further, technical know how about post-harvest technologies and management, and processing etc. can also be provided by FPOs to its members.
- Financial Service:** The FPO can provide loans for

crops, purchase of tractors & other required farm machinery, pump sets and other related work required for agricultural/horticultural operations.

14. What additional benefits in comparison to the farmers doing agriculture individually and severally will be provided to the farmer members of FPO?

The farmer members registered with the FPO would get benefits of trainings, capacity building, learning new techniques of doing agriculture, farm management, etc.

15. Is any benefit available to FPO?

The benefits can be availed by forming FPOs and registering with SNA and thereafter assistance/ services shall be provided by SNA.

16. Will FPO get support from the central government?

- FPO can get benefits under the RKVY, NHM, AIF, PKVY, State and Central government schemes can be leveraged.
- KVKs: Agri-extension services.
- SNA shall endeavour to set up a mechanism for funding the activities of FPOs by tying up with existing financial institutions, NABARD and other government agencies.
- SFAC
- PMFME (Pradhan Mantri Micro Food Processing Enterprises Scheme)

17. Whether any tax benefit is available for the FPO?

Yes, tax benefits under Invest Punjab schemes would be available for FPOs as FPOs are included in the thrust sector.

18. Can a farmer become member of more than one FPO?

Yes, a farmer can become a member of more than one FPO provided that it falls in the product based FPO category.

19. Will trainings be provided by FPOs?

Yes, need based trainings from the various Resource Institutions (RIs) would be provided to FPOs. SNA will also provide Accounting and Compliance services to FPO.

20. Can FPO procure from non- members?

Depending upon commercials, need based procurement can be done from non- members.

21. Can the produce be exported?

Yes, it can be exported. For exporting agricultural produce, all the members will have to follow Good Agricultural Practices (GAP). There are also other specific quality parameters that the importing countries impose for different produce which need to be complied with

22. Can the produce be sold in commodity exchange?

Yes, it can. The FPO can aggregate the produce of its members, and sell it using the commodity exchanges. The produce needs to meet the quality standards specified by the commodity exchanges, and be stored scientifically in approved warehouses. The FPO can become a member of the Commodity Exchanges to do trading directly or else it can sell through the exchange approved brokers.

23. Can a member quit from FPO?

Yes. As per the provisions in the charter of FPO.

24. How will the accounts be maintained?

All the activities related to Accounts shall be handled by an accountant as per the expert services of an empanelled Chartered Accountant. Accounts will be maintained by an accountant initially funded by an SNA. FPO Mittar will also assist in the same.

25. How will the profits be distributed?

Profits will be distributed as per the share in produce, as per the provisions in the charter of FPO.

26. How will the FPO members bound by the rules of FPO?

The Objects and the rules governing the FPO starting from how a person can become its member/ director, profit sharing, rights of members/ directors etc. will be incorporated in the Charter of the FPO and any person associated with the FPO shall be bound by the rules and regulations of the FPO.

27. Who will decide the rules and bye laws of FPO?

FPO MOA/ AOA/ Bye laws shall be drafted by the empanelled CA/ CS in consultation with FPO members. The shareholding pattern of the FPO and powers of its members shall also be defined in the FPO charter as per the consent of its members.

28. What contribution SNA shall make in the Capital of FPO?

The contribution to the capital by SNA will differ from case to case.



**Scheme Guidelines
for
CENTRAL SECTOR SCHEME
of
Financing facility under 'Agriculture Infrastructure Fund'**

Scheme Guidelines

**Department of Agriculture, Cooperation & Farmers' Welfare
Ministry of Agriculture & Farmers' Welfare
Government of India**

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Scheme Guidelines for CENTRAL SECTOR SCHEME of financing facility under 'Agriculture Infrastructure Fund'

1. Introduction

The role of infrastructure is crucial for agriculture development and for taking the production dynamics to the next level. It is only through the development of infrastructure, especially at the post harvest stage that the produce can be optimally utilized with opportunity for value addition and fair deal for the farmers. Development of such infrastructure shall also address the vagaries of nature, the regional disparities, development of human resource and realization of full potential of our limited land resource.

In view of above, the Hon'ble Finance Minister announced on 15.05.2020 Rs 1 lakh crore Agri Infrastructure Fund for farm-gate infrastructure for farmers. Financing facility of Rs. 1,00,000 crore will be provided for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organizations, Agriculture entrepreneurs, Start-ups, etc.). Impetus for development of farm-gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure.

Accordingly, DAC&FW has formulated the Central Sector Scheme to mobilize a medium - long term debt financing facility for investment in viable projects relating to post-harvest management Infrastructure and community farming assets through incentives and financial support.

2 Rationale of the Scheme

Agriculture and allied activities are the primary income source for ~58% of total population of India. ~85% of the farmers are Small Holding Farmers (SHFs) with less than 2 hectares of land under cultivation and manage ~45% of agricultural land. Annual income of majority of the farmers is very low. Further, India has limited infrastructure connecting farmers to markets and hence, 15-20% of yield is wasted which is relatively higher vs. other countries where it ranges between 5-15%. Investment in agriculture in India has further been stagnant with less than 2% CAGR over last 5 years. Investment in FY17 was ~ Rs. 2.19 lac crore out of which private sector share was ~83% vs. a higher investment of ~ Rs. 2.50 lac crore in FY14 and a higher share of private sector at ~88%. Also, lack of investor confidence is leading to lower plowback ratio (~14% of Gross Value addition in FY18) vs. other sectors (~33% of Gross

Value addition in FY18).

3 Objectives of Scheme

To mobilize a medium - long term debt finances facility for investment in viable projects for post-harvest management Infrastructure and community farming assets through incentives and financial support in order to improve agriculture infrastructure in the country. This financing facility will have numerous objective for all the stakeholders in the agriculture eco-system.

a. Farmers (including FPOs, PACS, Marketing Cooperative Societies, Multipurpose cooperative societies)

- Improved marketing infrastructure to allow farmers to sell directly to a larger base of consumers and hence, increase value realization for the farmers. This will improve the overall income of farmers.
- With investments in logistics infrastructure, farmers will be able to sell in the market with reduced post-harvest losses and a smaller number of intermediaries. This further will make farmers independent and improve access to market.
- With modern packaging and cold storage system access, farmers will be able to further decide when to sell in the market and improve realization.
- Community farming assets for improved productivity and optimization of inputs will result in substantial savings to farmers.

b. Government

- Government will be able to direct priority sector lending in the currently unviable projects by supporting through interest subvention, incentive and credit guarantee. This will initiate the cycle of innovation and private sector investment in agriculture.
- Due to improvements in post-harvest infrastructure, government will further be able to reduce national food wastage percentage thereby enable agriculture sector to become competitive with current global levels.
- Central/State Government Agencies or local bodies will be able to structure viable PPP projects for attracting investment in agriculture infrastructure.

c. Agri entrepreneurs and startups

- With a dedicated source of funding, entrepreneurs will push for innovation in agriculture sector by leveraging new age technologies including IoT, AI, etc.
- It will also connect the players in ecosystem and hence, improve avenues for collaboration between entrepreneurs and farmers.

d. Banking ecosystem

- With Credit Guarantee, incentive and interest subvention lending institutions will be able to lend with a lower risk. This scheme will help to enlarge their customer base and diversification of portfolio.
- Refinance facility will enable larger role for cooperative banks and RRBs.

e. Consumers

- With reduced inefficiencies in post-harvest ecosystem, key benefit for consumers will be a larger share of produce reaching the market and hence, better quality and prices. Overall, the investment via the financing facility in agriculture infrastructure will benefit all the eco-system players.

4 Implementation Period of Scheme

The Scheme will be operational from 2020-21 to 2029-30. Disbursement in four years starting with sanction of Rs. 10,000 crore in the first year and Rs. 30,000 crore each in next three financial years. Moratorium for repayment under this financing facility may vary subject to minimum of 6 months and maximum of 2 years.

5 Government Budgetary Support

Budgetary support will be provided for interest subvention and credit guarantee fee as also administrative cost of PMU. The details are as below:-

SI. No.	Name of Component	Norms
1	Interest Subvention Cost	All loans under this financing facility will have interest subvention of 3% per annum up to a limit of Rs. 2 crore. This subvention will be available for a maximum period of 7 years. In case of loans beyond Rs.2 crore, then interest subvention will be limited up to 2 crore. The extent and percentage of funding to private entrepreneurs out of the total financing

		facility may be fixed by the National Monitoring Committee.
2	Credit Guarantee Cost	Credit guarantee coverage will be available for eligible borrowers from this financing facility under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for a loan up to Rs. 2 crore. The fee for this coverage will be paid by the Government. In case of FPOs the credit guarantee may be availed from the facility created under FPO promotion scheme of DACFW.
3	Administration Cost of PMU	Farmers Welfare Programme Implementation Society under DACFW will provide PMU support to the scheme at the central level and state PMUs of PM KISAN at state level. Services of knowledge partners will be engaged to identify clusters including export clusters and gaps in supply chains to target projects and prepare viable project reports to support the beneficiaries.

6 Eligible Projects

The scheme will facilitate setting up and modernization of key elements of the value chain including

(A) Post Harvest Management Projects like:

- (i) Supply chain services including e-marketing platforms
- (ii) Warehouses
- (iii) Silos
- (iv) Pack houses
- (v) Assaying units
- (vi) Sorting & grading units
- (vii)** Cold chains
- (viii)** Logistics facilities
- (ix)** Primary processing centers
- (x) Ripening Chambers

(B) Viable projects for building community farming assets including –

- (i) Organic inputs production

- (ii) Bio stimulant production units
- (iii) Infrastructure for smart and precision agriculture.
- (iv) Projects identified for providing supply chain infrastructure for clusters of crops including export clusters.
- (v) Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post harvest management projects.

7 Size of the financing facility and eligible beneficiaries

Rs. 1 Lakh Crore to be provided by banks and financial institutions as loans to Primary Agricultural Credit Societies (PACS), Marketing Cooperative Societies, Farmer Producers Organizations (FPOs), Self Help Group (SHG), Farmers, Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-entrepreneurs, Startups and Central/State agency or Local Body sponsored Public Private Partnership Projects.

PACS who have adopted digitization for handling its operations will be given preference under this scheme.

8 Participating institutions

All scheduled commercial banks, scheduled cooperative banks, Regional Rural Banks (RRBs), Small Finance Banks, Non-Banking Financial Companies (NBFCs) and National Cooperative Development Corporation (NCDC) may participate to provide this financing facility, after signing of Memorandum of Understanding (MoU) with National Bank for Agriculture & Rural Development (NABARD)/DAC&FW.

9 Refinance

If required, need based refinance support will be made available by NABARD to all eligible lending entities including cooperative banks and RRBs as per its policy.

10 Cap on lending rate

Lending rate of participating lending entities will be decided after due consultation with lending entities and same will be circulated to all stake holders. Lending institutions will sign MOU with DAC&FW/ NABARD for implementation of the Scheme. MOUs to be signed by DAC&FW/NABARD with banks/financial institutions with a view that NABARD will negotiate cap on lending rates in a fair manner.

11 Project Management and handholding support

An online platform will be made available in collaboration with participating lending institutions to provide information and loan sanctioning facility. Agri Infra fund will be managed and monitored through an online MIS platform. It will enable all the qualified entities to apply for loan under the fund. The system will also provide benefits such as transparency of interest rates offered by multiple banks, scheme details including interest subvention and credit guarantee offered, minimum documentation, faster approval process as also integration with other scheme benefits. At the back end, the platform will also provide multiple views of dashboards across district; state and national level PMUs to monitor the total sanctioned amount and number of borrowers, total interest subvention benefit availed, loan statement summary, demographic and geographic mix of borrowers and type of projects.

Farmers Welfare Programme Implementation Society under DACFW will provide PMU support to the scheme at the central level and state PMUs of PM KISAN at state level. Services of knowledge partners will be engaged to identify clusters including export clusters and gaps in supply chains to target projects and prepare viable project reports to support the beneficiaries.

Project reports with indicative unit costs will be prepared by Central and State PMUs for guidance of beneficiaries and lending entities. Such project reports shall be available on online platform.

12 Convergence – Any grant or subsidy available under any present or future scheme of Central/State government can be availed for projects under this financing facility. In cases of capital subsidy such amount shall be considered as promoter's contribution. However, a minimum of 10% of the project cost shall be mandatory as promoter's contribution.

13 Revisit of the Scheme

The scheme will be re-visited by Department of Expenditure after disbursement of Rs. 20,000 crores is completed, for evaluation and midcourse correction if required. Concurrent/mid-term third party independent evaluation of the scheme in addition to end- line evaluation will be conducted as and when required.

14 Monitoring framework

The National, State and District Level Monitoring Committees to ensure real-time monitoring and effective feed-back about the implementation of the proposed scheme. The Committees will be set up as per **Annexure-A**.

All assets created under this financing facility shall be geo tagged. The District Monitoring Committee and respective lending entity shall ensure that updated information on such geo tagged assets is available on the online portal.

15 OUTPUT AND OUTCOME MONITORING FRAMEWORK (OOMF)

The Output and Outcome Monitoring Framework (OOMF) (**Annexure-B**) will be a part of monitoring system and the measurement of outcome indicators will be monitored periodically by DLMC, SLMC and NLMC.

16 Linkage with PFMS

Interest subvention and credit guarantee support will be released to Banks and lending institutions through PFMS.

Disbursal of funds by lending entities to beneficiaries under this scheme shall be in Aadhaar linked bank account.

17 Criteria for selection of Eligible Borrower

Lending institutions will decide criteria for selection of eligible borrower in consultation with NABARD and monitoring committees, PMUs and keeping in mind the viability of the projects and to avoid NPA.

18 VGF Requirement

In case VGF requirement is projected by central / state / local bodies, norms as prescribed by DEA for PPP projects will be adhered to.

19 Sector specific focus

24% of total grants – in – aid under the scheme should be utilized for SC/ST entrepreneurs (16% for SC and 8% for ST). Besides this, lending institutions will ensure adequate coverage of entrepreneurs belonging to women and other weaker segments of society. It has to be ensured that benefits of the scheme are inclusive and accrue to the intended beneficiaries.

20 State specific focus

Tentative State wise allocation of financing facility has been worked out on the basis of the ratio of total value of output of Agriculture and Allied sectors of States/UTs and placed at

Annexure- C

Monitoring framework

(i) National level Monitoring Committee (NLMC)

Composition :-

Following will be the Members and Chairman of the NLMC:-

- a. Secretary (DAC&FW) (Chairman)
- b. MD SFAC
- c. MD,NCDC
- d. Special Secretary/Additional Secretary and FA (DAC&FW)
- e. Additional Secretary DFS
- f. Additional Secretary (DAC&FW,GoI)
- g. Chairman, NABARD or his representative
- h. Principal Secretary-State Government (s)- Four States by rotation
- i. State Nodal Officers of four States (by rotation)
- j. Joint Secretary (DAC&FW) and CEO of Farmers Welfare Programme Implementation Society- Member Secretary

Functions:-

1. National level Monitoring Committee (NLMC) will guide and steer the implementation of the project. It will approve the guidelines for implementation of the project.
2. National level Implementation Committee (NLIC) will examine and recommend the guidelines for implementation of the project. It also will ensure and review the implementation of the scheme as per approved guidelines by the National level Monitoring Committee (NLMC)

(ii) State level Monitoring Committee

Composition:-

Following will be Members and Chairman of the SLMC :-

- a. Chief Secretary –Chairman
- b. Agriculture Production Commissioner/Principal Secretary Agriculture
- c. Principal Secretary (Cooperation)
- d. Registrar of Cooperative Societies (RCS)

- e. Chief General Manager (CGM), NABARD
- f. Regional Director, NCDC
- g. Officers nominated by State (not more than three).
- h. SLBC Convenor.
- i. State Nodal Officer- Member Secretary.

Functions:-

1. State level Monitoring Committee (SLMC) will implement the NIMC guidelines at the state level and provide feedback to NIMC.
2. It will also guide and steer the implementation of the scheme in the state.
3. It will also examine and approve the selected list of beneficiaries/ projects for inclusion in the scheme in consultation with DLMC
4. It will set the targets as per OOMF format and review the progress regularly

(iii) District Level Monitoring Committee

Composition:-

Following will be Members and Chairman of the DLMC:-

- a. District Collector – Chairman
- b. Chief Executive Officer of District Panchayat/CDO- Vice Chairman
- c. District Officer of Agriculture
- d. District Registrar Officers nominated Cooperative Societies
- e. Officers nominated by State (not more than three)
- f. Lead District Manager of DLBC
- g. District Manager NABARD- Member Secretary

Functions:-

1. District level Monitoring Committee (DLMC) The DLMC will be the first line of implementation and monitoring system within the overall framework.
2. It will identify the beneficiaries, to ensure viability of the project and prepare viable project reports to support the beneficiaries in collaboration with PMU.
3. It will also examine the proposal and recommend to SLMC for consideration.
4. DLMC will set targets in consultation with SLMC as per OOMF format and monitor the progress closely with the support of PMU.
5. DLMC will maintain the Dashboard in collaboration with PMU.

6. It will be responsible for the smooth implementation of the scheme and resolve any issues at the district level. In the process of sorting out implementation issues the Committee would be supported by the district administration wherever required.

OOMF Framework

OUTPUTS:

Output statement	Output Indicators	Target	Achievement
Promoting creation and modernization of agriculture infrastructure	No. of projects submitted by eligible entities		
	Disbursement of funds for eligible projects/investments (Rs. Crores)		
Increase in amount of interest subvention and credit guarantee support provided	Amount outgo on account of interest subvention (Rs. Crore)		
	No. of projects receiving interest subvention		
	Percent projects receiving interest subvention (of the total projects offered loan under the scheme)		
	Amount outgo on credit guarantee coverage (Rs. Crore)		
	Average percent credit guarantee coverage of the total credit extension under the scheme.		
Outcome Statement	Outcome Indicators	Target	Achievement
Improvement in resource provision for agriculture infrastructure	Percentage of fund utilized for completed projects		
	Additional investments leveraged due to agriculture infrastructure fund interventions (Rs. Crore)		
Enhancement in agriculture infrastructure capacity	Total capacity addition in agriculture sector due to infrastructure activities funded (MT)		
	Reduction in post-harvest losses and food wastages (%)		

Tentative Allocation of Financing Facility among States/UTs

Sl. No.	State	Financing Facility INR Crore
1	Uttar Pradesh	12831
2	Rajasthan	9015
3	Maharashtra	8460
4	Madhya Pradesh	7440
5	Gujarat	7282
6	West Bengal	7260
7	Andhra Pradesh	6540
8	Tamil Nadu	5990
9	Punjab	4713
10	Karnataka	4525
11	Bihar	3980
12	Haryana	3900
13	Telangana	3075
14	Kerala	2520
15	Odisha	2500
16	Assam	2050
17	Chhattisgarh	1990
18	Jharkhand	1445
19	Himachal Pradesh	925
20	Jammu & Kashmir & Ladakh	900
21	Uttarakhand	785
22	Tripura	360
23	Arunachal Pradesh	290
24	Nagaland	230
25	Manipur	200

26	Mizoram	196
27	Meghalaya	190
28	Goa	110
29	Delhi	102
30	Sikkim	56
31	Puducherry	48
32	A & N Islands	40
33	Daman & Diu	22
34	Lakshadweep	11
35	Dadra & Nagar Haveli	10
36	Chandigarh	9
	Total	1,00,000



**DEPARTMENT OF AGRICULTURE AND
FARMERS WELFARE**

GOVERNMENT OF PUNJAB

PUNJAB AGRI EXPORT CORPORATION LTD.

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